

SPECIAL CALLED PENSION BOARD MEETING

**Tuesday, May 27, 2014
9:00 AM – Fourth Floor Conference Room**

MEETING MINUTES

Members Present:

Bill Bruton	Philip Goldstein
Barry Echols	Danny Messimer
Eric Lockhart	Freddy Morgan
Tim Milligan	Jess Zerbe

Ex-Officio Members:

Shannon Barrett – Secretary - "Acting" Director, HR
Sam Lady – Finance

Absent:

Anthony Coleman

Visitors / Guests

Judy Burnette – Human Resources – Benefits

1. CALL TO ORDER / DECLARATION OF QUORUM

Chairperson Echols

Chairperson Echols declared a quorum and called the meeting to order at 9:00 am. He thanked the board members for attending the Special Called Meeting. Chairperson Echols reminded the board that the reason for the meeting was to further discuss the IRS response to the Determination Letters filed for both the Consolidated and Supplemental Pension Plans.

2. OLD BUSINESS

- **IRS Determination Letter Update**

Shannon Barrett

Shannon Barrett, Secretary of the Pension Board, stated that she had been asked to follow up with Patti Keesler, Attorney with the Benefits Law Group, regarding the Compliance Statements received from the IRS regarding the City/BLW's Consolidated and Supplemental Pension Plans. The IRS has required the addition of language to both plans to bring them up to date. The Determination Letters are contingent upon these changes being made.

Secretary Barrett stated that she had shared the board's questions regarding the requested changes with Ms. Keesler for clarification. Ms. Keesler provided answers to the board's questions which were shared with the entire board through e-mail. Ms. Barrett summarized the response from Ms. Keesler. In answer to the questions regarding the language added to Section 8, this language is merely an update to the plan language for the IRS regulations that came out after the last time this section of the Plan was amended. The basic rules have not changed. This section describes the limitation on the amount of annual payments that can be made to a retiree or accrued in any one year, based on the IRS limit, the form of payment and the age of the retiree. The limit is now \$210,000 per year if the retiree is 65 or over and takes a life annuity. It is actuarially reduced if the person starts payments earlier than age 65 or chooses something other than a life annuity. This is a calculation made by the actuary and would affect benefit payments only if someone were to exceed the limits.

Secretary Barrett verified that there would be no impact on the City/BLW participants' benefit calculations, just the limitation on what can be paid in one year under IRS rules.

Member Messimer asked if the four percent contribution employees make to the Pension Plan is returned to an employee who leaves the City/BLW before becoming fully vested. Secretary Barrett explained that the employee's four percent contribution is returned.

**MOTION:
IRS COMPLIANCE STATEMENT**

MOTION: Member Milligan made the motion to accept the proposed IRS changes to the Consolidated and Supplemental Pension Plans and recommend that City Council adopt the changes.

Second to the motion by Member Morgan

Unanimous by the Board

3. ADJOURNMENT

Chairperson Echols

Chairperson Echols called for a motion to adjourn.

**MOTION:
ADJOURN**

MOTION: Member Bruton made the motion to adjourn at 9:10 am.
Second to the motion by Member Zerbe

Unanimous by the Board

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APPROVED THIS 15 DAY OF October, 2014


Barry Echols, Chairperson, Pension Board

ATTEST:


Shannon Barrett, Secretary, Pension Board